

Reports

Figure 1

~306

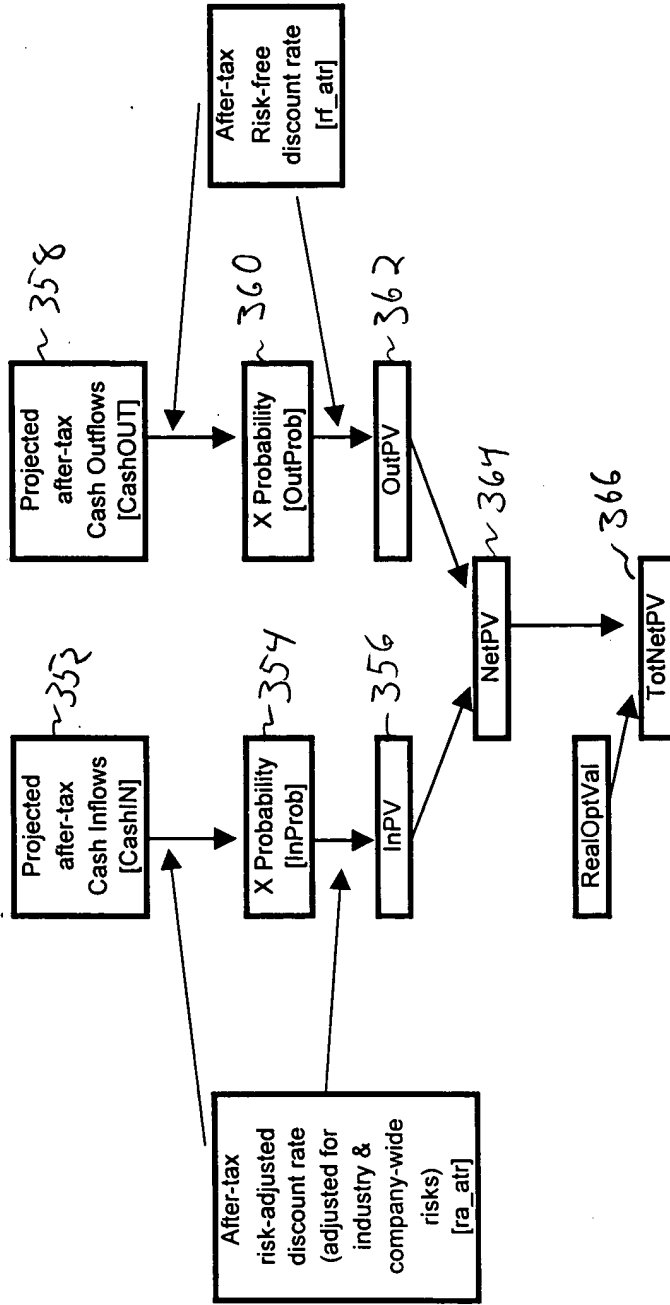


Figure 4

306

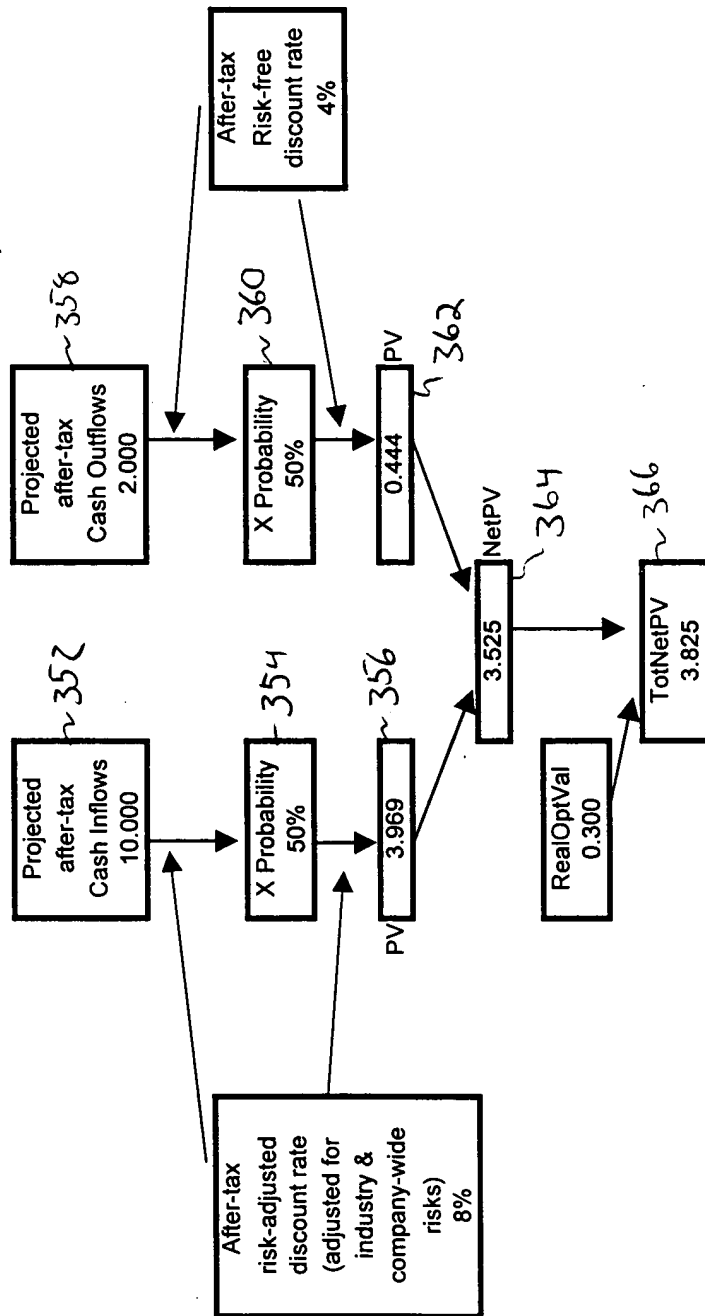


Figure 5

300
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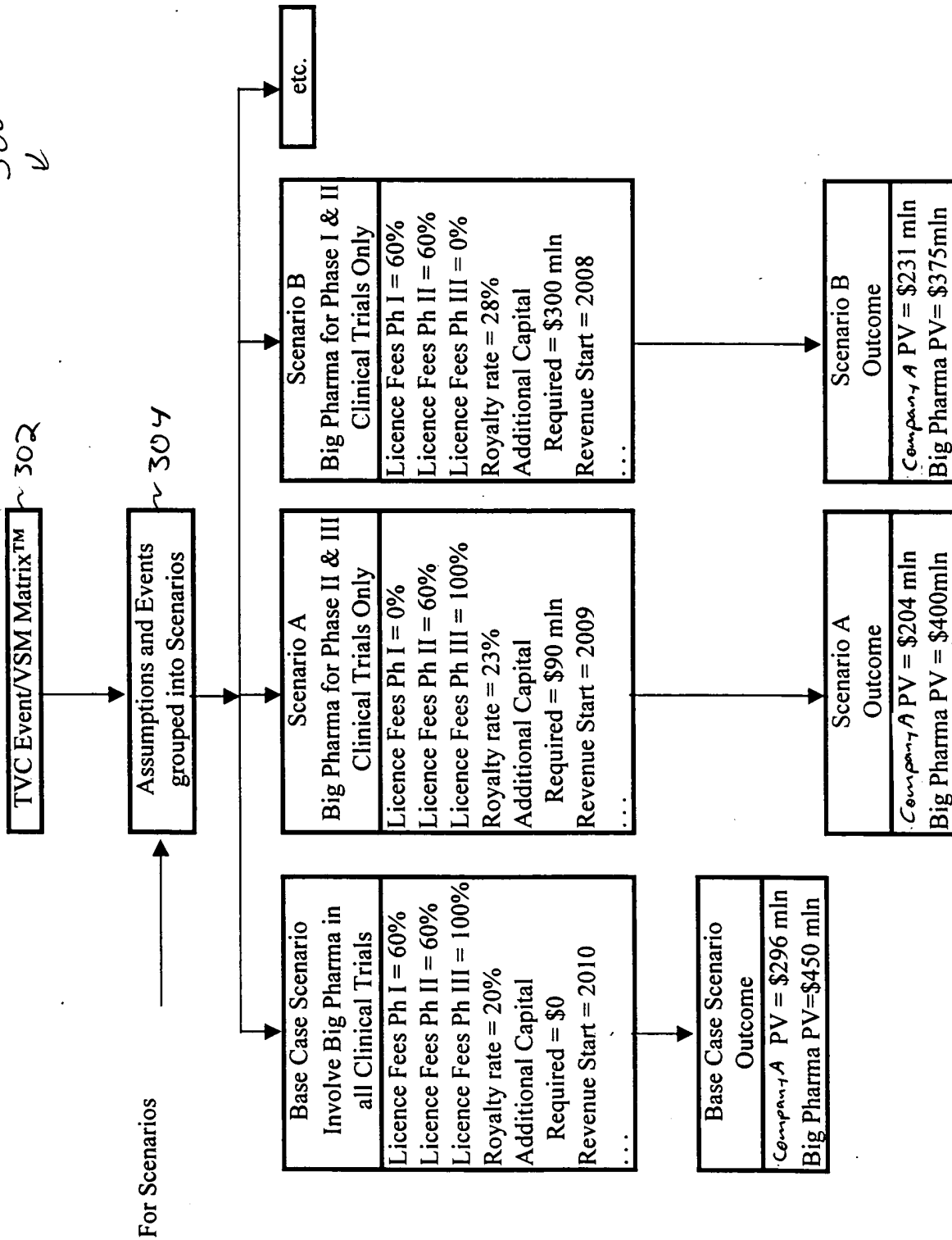


Figure 6

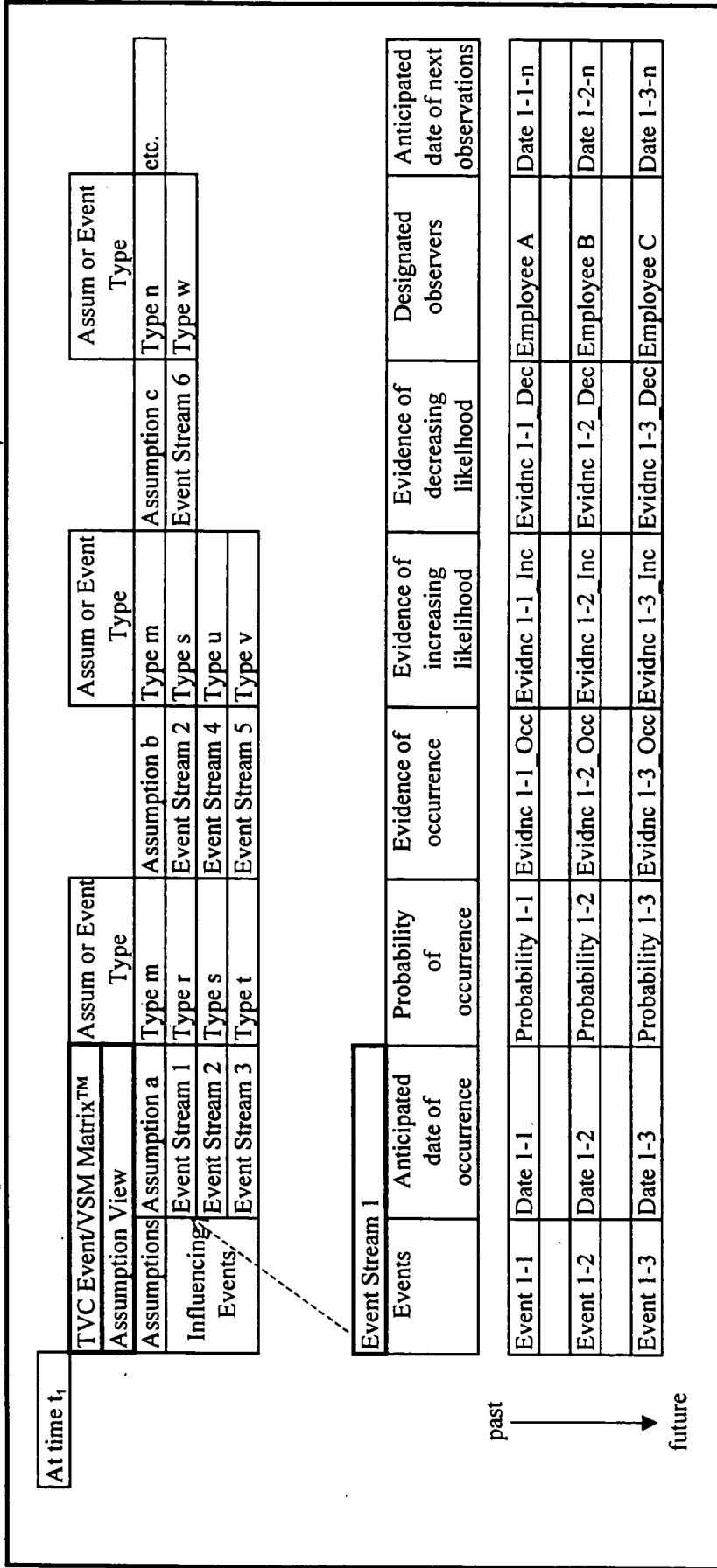


Figure 7

May 1, 2000

TVC Event/VSM Matrix™		Assumption View		Assum or Event Type	Assum or Event Type	Assum or Event Type
Assumptions	Royalty rate=20%	Royalty rate=20%	Revenue Assum	Assumed market growth = 15%/yr	Revenue Assum	Drug longevity = 10 yrs
Influencing Event Streams	Changes in competitor royalty rates	Changes in competitor royalty rates	Competitive event	Change in world drug sales current growth rate	Market event	Chromosome 18 progress at Cold Spring-Harbour
	Change in world drug sales growth rate	Change in world drug sales growth rate	Market event	Change in health care delivery system in China	Market event	
	Negotiating success with new potential pharma partners	Negotiating success with new potential pharma partners	Relational event	Impact of non-drug therapies	Competitive event	

Changes in competitor royalty rates

Events	Anticipated date of occurrence	Probability of occurrence	Evidence of occurrence	Evidence of increasing likelihood	Evidence of decreasing likelihood	Designated observers	Anticipated date of next observations
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past

future

Glaxo deal	June 1, 2000	10-20%	Media Report	Talks continuing	Report of stall in negotiations	Anne Smith	Mar 1, 2000
Impact of EU protocols	July 15, 2000	5-10%	Proceedings of July Conference	Progress of German proposals	Dropping of German proposals	Kurt Heigel	Apr 15, 2000
Impact of Lilly merger	September 1, 2000	50%	New policy announcement	Senior French management replaced	Not reorganizing French subsidiary	Étienne Dupuy	Jul 5, 2000

Figure 8

TVC Event Matrix™			At time t_i				
Events Affected Assumptions	Event Stream 1	Probability 1	Event Stream 2	Probability 2	Event Stream 3	Probability 3	etc.
	Assumption a		Assumption a		Assumption a		
	Assumption d		Assumption b				
	Assumption e		Assumption f				
Event Stream 1							
Events	Anticipated date of occurrence	Evidence of occurrence	Evidence of increasing likelihood	Evidence of decreasing likelihood	Designated observers		
Event 1-1	Date 1-1	Evidnc 1-1 Occ	Evidnc 1-1 Inc	Evidnc 1-1 Dec	Employee A		
Event 1-2	Date 1-2	Evidnc 1-2 Occ	Evidnc 1-2 Inc	Evidnc 1-2 Dec	Employee B		
Event 1-3	Date 1-3	Evidnc 1-3 Occ	Evidnc 1-3 Inc	Evidnc 1-3 Dec	Employee C		

past → future

Figure 9

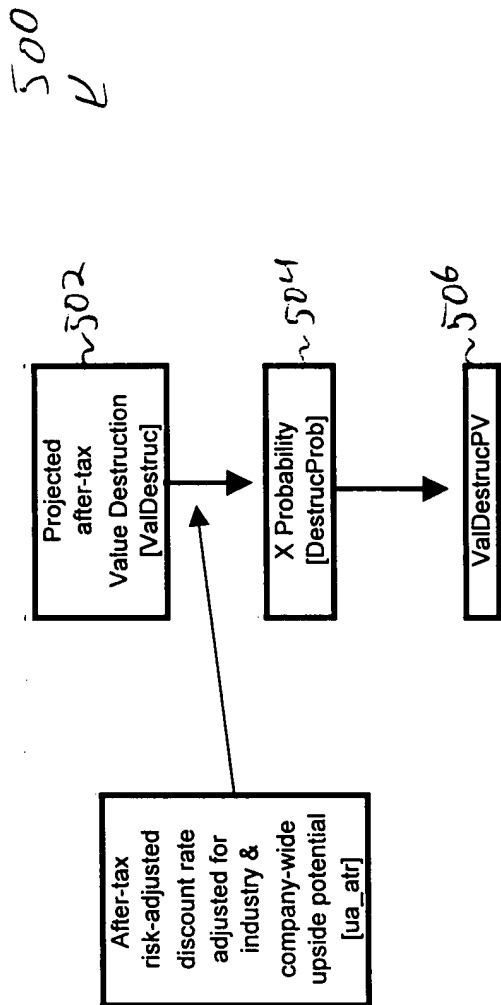


Figure 10

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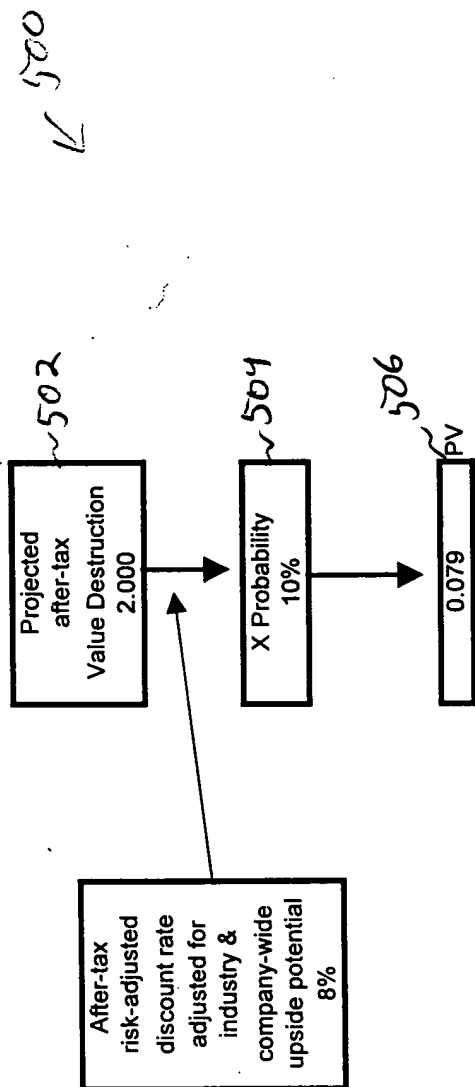


Figure 11

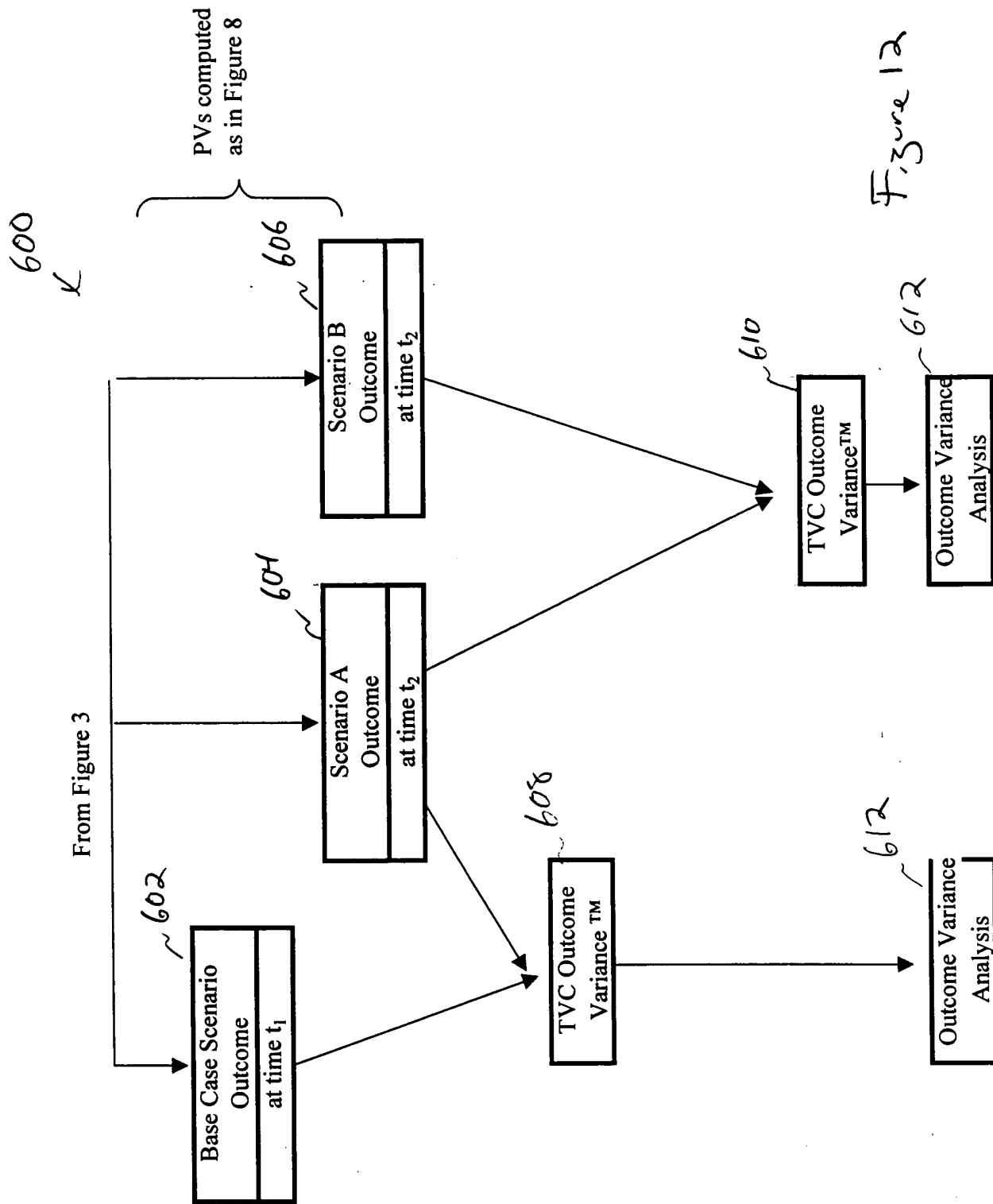


Figure 12

Calculation of Outcome Variance

PV of Bio-tech drug projects	468.999
PV of Bio-informatics tools	134.424
Free cash PV	2.649
Current PV of GreenGene	600.774
Last year's PV	471.418
Delta_PV	129.356
COCr on last yr PV	75.427
Outcome Variance	53.929

Analysis of Outcome Variance

cause	effect \$ mlns
revised projection tool #4 sales	25.009
from 0.007% to 0.015%	
world bio-tech sales growth thru 2005	14.931
from 11.5% to 12.5%	
revised projection drug #26 sales	10.196
from 0.45% to 0.70%	
last yr wrld sales grew 12.9% not 11.5%	7.000
increased R&D spending last year	-1.607
increased future R&D spending	-1.461
effect of WHO donation	-0.306
last yr's investment income better	0.167
	53.929

Figure 13

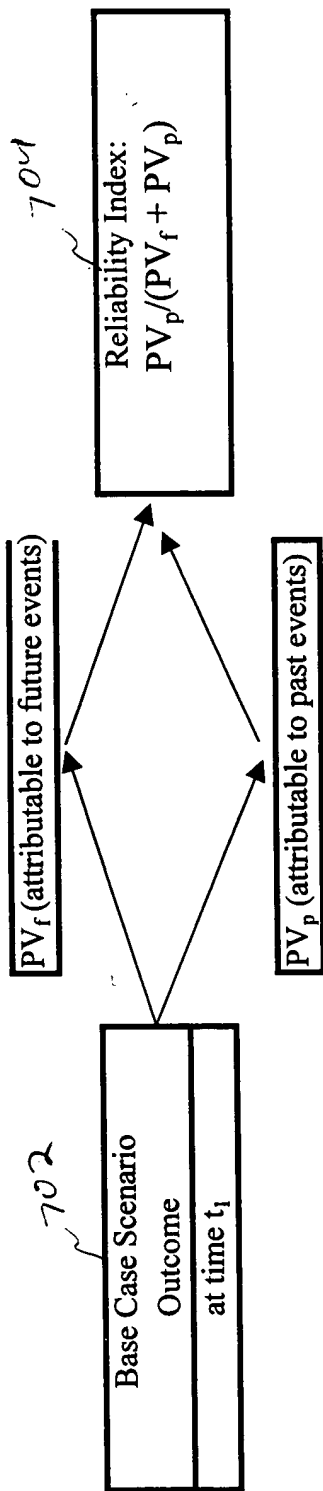


Figure 14

